



Date: November 9, 1998

Mass Mailer #98-11

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On October 28, 1998, the State Allocation Board (SAB) apportioned approximately \$5.5 million for on-going projects, bid approvals, and three consent special items. The SAB also addressed other issues as follows:

Consent Calendar

The cost indices for Class B Construction has increased to 1.31, the Class D Construction to 1.29, and the Historical Savings Index has increased to 6.19, all effective as of October 1, 1998.

The consent agenda included Phase P, S and C “unfunded” approvals for more than 444 projects with an “unfunded” value of approximately \$214 million.

Status of Funds

The Office of Public School Construction (OPSC) is continuing to prepare items for Lease-Purchase Program (LPP) funding for projects that are of a consent nature for on-going costs and bid approvals.

Deferred Maintenance Apportionments

Please be advised that the deadline for the county treasurer to certify that school districts have made the annual deposits into their Deferred Maintenance Fund, for the 1997/98 Fiscal Year, has been extended to December 1, 1998. Due to the clarification of Education Code Section 39619, the SAB rescinded the previous apportionments made on August 26, 1998, and approved new apportionments for basic and critical projects. Each district will be notified of the SAB's action.

Senate Bill (SB) 50 Regulations

The SAB took no action regarding the adoption of the proposed regulations for the implementation of SB 50, Chapter 407, Statutes of 1998. The proposed regulations will be presented to the SAB for adoption on November 18, 1998.

Since the SAB has not yet adopted regulations for the implementation of SB 50, the OPSC is unable to accept applications for either eligibility or funding under the new School Facilities Program (SFP). Once the regulations are adopted by the SAB, they will be submitted to the Office of Administrative Law (OAL) for review. The OAL has ten days to either accept or reject the regulations. If they are accepted within the ten day period, the OAL will file the regulations with the Secretary of State at which time the regulations will become operable on an emergency basis. If

they are accepted and filed by the OAL, the OPSC will be able to accept SFP applications and process them for review and approval by the SAB. The OPSC anticipates this will occur approximately December 1, 1998. If the regulations are rejected by the OAL, they will be returned to the OPSC for editing and reconsideration of adoption by the SAB.

As you are aware, Proposition 1A was successful on November 3, 1998; therefore, the OPSC can no longer accept or process any new LPP applications for initial approval. In addition, any LPP applications received by the OPSC, including appeal requests, that did not receive initial approval will be returned to the district without processing. All LPP projects that received full funding under the LPP will continue to be subject to all LPP provisions. Any LPP project that received initial approval and had either a Phase C approval or the plans and specifications (P&S) for the project were approved by the Division of the State Architect (DSA) prior to November 4, 1998, may be eligible to receive funding under the provisions of the LPP. Any LPP project that did not receive initial approval or the P&S for the project were not approved by the DSA prior to November 4, 1998, are not eligible for further funding under the LPP. These projects must be submitted as a new application under the provisions of the SFP.

Once the regulations have been adopted, the OPSC will notify the districts by separate letter regarding the status of their LPP projects and the options available for approval and/or funding as either a LPP or a SFP project.

Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

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